

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## Local Government Tax Control Board Meeting Minutes February 26, 2008

**Call to Order:** The monthly meeting of the Local Government Tax Control Board was held on Tuesday, February 26, 2008. The meeting was held in the Indiana Government Center South, Conference Center Room 4, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Dan Jones, Dave Christian, John Stafford, Stan Mettler, and Linette Pedigo, Administrative Secretary.

**Minutes and Discussion:** Mr. Christian began by calling the meeting to order. Mr. Stafford moved to re-elect the Board's Chair and Vice-Chair. Mr. Jones seconded and the motion carried. Mr. Christian then called for any changes or corrections to the minutes. Mr. Jones said that on page 12, line 4 of the minutes from November 8, 2007, OCEA needs to be corrected to OSHA. Mr. Stafford stated that on page 14 of the November 8, 2007 minutes, the vote on the Kokomo – Howard County Public Library can not be passed on a vote of 3-3. Mr. Stafford suggested that it be amended to say they moved the matter forward to the Commissioner with no recommendation. Mr. Christian then motioned to approve the Nov. 8, 2007 minutes as changed, and the minutes were approved by a vote of 4-0. Mr. Mettler made a motion to approve the minutes from Nov. 20, 2007 hearing. Mr. Stafford seconded and the minutes passed by a vote of 4-0. Mr. Stafford then motioned to approve the Dec. 13, 2007 minutes. Mr. Mettler second and the minutes carried by a vote of 4-0.

**Salt Creek Township, Monroe County: Emergency Fire Loan:** The unit is requesting approval to obtain a loan in the amount of \$100,694 for a term of one (1) year to have the funds to cover the cost of fire protection.

Project Costs: \$100,694  
Amount applied to debt: \$100,694  
Annual Payment: \$103,691

Emergency Loan Calculation:	2008 proposed
Certified Property Taxes	\$23,000
Certified Misc. Revenue	\$1,697
Jan. 1st Cash Balance (June 30)	\$2374
Total Funds Available	\$27,071

Less: Prior Year Encumbrances	\$0
Less: Estimated Expenses	\$120,694
Funds Remaining (Needed)	<b>\$(93,623)</b>
Advertised Budget	\$20,000
Adopted Budget	\$20,000
Advertised/Adopted Budget	Not
Less Certified Budget	Available
Budget cut by DLGF	Yet

**Tax Rate Impact:**

2007 AV	\$135,406,280
Levy Needed	\$103,691
Est. Tax Rate	.07655

**Meeting and Publication Dates:**

Date of publication for a public hearing	Submitted but illegible, publishers affidavit missing
Date of public hearing	Submitted but illegible, publishers affidavit missing
Resolution/Ordinance adopted	02/18/2008 Submitted but not acceptable
Notice of Determination	Submitted but illegible, publishers affidavit missing

Auditor's Certificate of No Remonstrance: Missing

Missing Information: Auditor's Certificate

Publishers Affidavits for Public Hearing and Notice of Determination

Note: Since this unit does not have a certified budget for 2008, it is not possible to determine their actual need yet. Any motion should state not to exceed some amount, not an actual amount. The emergency was caused by an increase in contract payments to the City of Bloomington.

**Present for the hearing:** David Lane, Trustee

**Comments:** Mr. Christian asked Mr. Lane why he is in need of the loan. Mr. Lane replied that he is allotted roughly \$47,000 in fire funds and he was told when he took his job that his predecessor had bought a fire truck for the City. He had signed a 4 or 5 year contract with the City to provide fire protection for this truck, and had a 10 year loan on the truck as well. So all of Mr. Lane's allotted money is going toward the cost of this truck that the city has, and it will be for the next 5 years. Mr. Lane then added that the fire contract came up at the end of December and the City is telling him that they want \$100,694 for services for this year only. Mr. Christian asked if that money is for the fire truck or the fire services. In response, Mr. Lane said that amount is just for fire services; the fire truck has already been paid for this year.

Mr. Mettler then asked if Mr. Lane has a cumulative fire fund. Mr. Lane said he does and it goes towards the fire truck. The regular fire fund and the cumulative fund come to \$47,000. He added that the truck payment itself is \$46,500 every year, so he has to pay that for the next five years. Mr. Mettler then asked what the tax rate is on the cumulative fire fund. Mr. Lane said it is .0132. Mr. Mettler asked if he ever thought about increasing that up to the maximum, and Mr. Lane's response was that he didn't know.

Mr. Mettler then asked Mr. Jones if the cumulative fire fund is all part of the maximum overall levy, or if this is outside the levy. Mr. Jones stated that they would need to re-establish their levy to increase the rate. Mr. Mettler stated that he would like to find a way to get Mr. Lane his funding so he would not have to come back every year; they could pay for their truck through cumulative fire. Mr. Jones suggested that they restructure and do the fire truck loan out of a debt service fund. He then added that they get a separate rate and levy just to handle the loan, so when the loan is repaid, that levy rate and budget just goes away. Mr. Stafford asked Mr. Jones if the DLGF would allow them to establish a debt service rate for an obligation that's already been incurred. Mr. Jones stated that the DLGF would have to make an exception to their policy.

Mr. Lane then commented that the interest rate on the fire truck for the next five years is almost \$100,000, and his predecessor misinformed him by saying that the Jan. 1, 2007 payment would be the last. When Mr. Lane's predecessor's books were audited, the auditor told Mr. Lane there was still 6 more years to pay. Mr. Christian asked if Bloomington will own the truck until the final payment is made. Mr. Lane stated that supposedly Bloomington owns the truck right now; he does not know who is on the title. He then added that the truck will not be paid off until March 3, 2013.

Mr. Stafford then wanted to clarify that the City will provide fire service under a contract for \$100,000 for 2008. Mr. Lane said yes, and Mr. Stafford went on to ask him if he'd had a similar situation with them in 2007. Mr. Lane said no, because in 2007, they were still giving them service for the tradeoff on the truck that they were buying from the City. The fire contract states that at the end of 2007, that truck goes under the control of the Bloomington Fire Department. Mr. Stafford asked if Mr. Lane was getting a contractual charge for fire protection in 2007 and earlier. Mr. Lane replied that they were not. Mr. Stafford added that they are now going from paying nothing to a \$100,000 a year service contract with the City of Bloomington, plus they are in effect buying a truck for them. Mr. Lane said that was correct. Mr. Stafford then stated that the contract was entered into with no viable way to pay for that contract, and Mr. Lane agreed. Mr. Stafford went on to say that if this loan is denied, they will have no ability to pay the City of Bloomington. Mr. Lane said that is the case, and it was his predecessor's doing.

Mr. Lane then went on to say that if he could, he would probably go to the highest possible tax limit with the idea of paying this truck off as soon as possible and getting out from underneath that \$47,000.

Mr. Stafford asked who the payments for the fire truck go to. Mr. Lane replied that it is Old National Bank out of Evansville. Mr. Stafford confirmed that the township has a loan with Old National for the fire truck.

When asked by Mr. Mettler what the assessed value of the township is, Mr. Lane did not know. Mr. Mettler then asked for the 2007 assessed value, in which Mr. Lane replied that it was around \$135,400,000. He added that they have one of the lowest tax rates.

Mr. Christian then asked what the vote was on the Township Board. Mr. Lane replied by saying that two said yes, but his predecessor's son abstained. Mr. Jones questioned Mr. Lane by saying that on his Resolution Special Order Determining to Incur Indebtedness he has one "aye" and one "nay," and that this would indicate a tie vote. Mr. Lane said they are just missing a signature.

Mr. Christian stated that he believes they need more information, such as who has the title; they need to take a look at the bank note, and see the missing signature on the Resolution.

Mr. Jones then continued his questioning by asking Mr. Lane if the vote at the meeting was 1-1, and Mr. Lane replied that on the indebtedness, yes. On the fire contract he gave back to the City, he did have two people sign that. So to confirm, Mr. Stafford stated that two of the three Board members entered into a contract with the City of Bloomington for fire service, but when it came time to vote for the Resolution to pay for that, the vote was 1-1 because Rhonda did not show up. Mr. Stafford went on to say that they couldn't act on this even if they wanted to. Mr. Lane stated that on Jan. 10, he met with the Board members to discuss the proposal for the fire contract in the amount \$100,694. During that meeting, he asked his Board to pass a recommendation for the emergency appropriation and two of them did sign; Rhonda and Don. Mr. Christian then asked about the Resolution to enter into the indebtedness, and Mr. Lane said only two people showed up, which made three total including himself. Mr. Stafford pointed out that he is not a Member, he is a Trustee. Mr. Stafford asked if this was done at a public meeting, and if it was advertised, to which Mr. Lane said it was. Then Mr. Lane corrected himself and stated that this was just a regular meeting the Board had, and that at the two advertised meetings, only two people had shown up. Mr. Stafford then stated that the advertisement was for the Feb. 18, 2008 meeting which only two members were present. This occurred on Jan. 10. Mr. Lane corrected himself again by saying that meeting was not publicly advertised. Mr. Stafford further clarified the situation by saying that the meeting did not happen subsequent to a legal notice that they were considering the action to incur the debt. Mr. Jones asked Mr. Mettler if a Township Trustee can be the tie-breaking vote, to which he replied no. Mr. Lane wanted to know what his options are if he cannot get his Board members to come to the meetings. He then stated that Rhonda has missed the last two meetings that were published.

Mr. Stafford went on to ask what's going on with their fire protection right now. Mr. Lane responded by saying that they are on hold. If there is a fire in the district, the city will take care of it until they cease the fire protection on Feb. 1. He said that the Assistant City Attorney will wait until next month because he told her that he would sign the contract in all good faith if he got the money. Mr. Mettler then asked if there was another fire department that they could contract with, and Mr. Lane said no.

**Motion:** Mr. Jones motioned to postpone action on this item until the next Board meeting. Mr. Stafford seconded the motion and it carried by a vote of 4-0.

Mr. Jones requested from Mr. Lane that he provide them with a copy of the fire contract with Bloomington and a copy of the bank loan contract with the amortization table. Mr. Jones said

that he would put together a report that shows the budget trends for this township over the years for their operating budget, their cumulative budget, and any other debt that may be outstanding. Mr. Jones stated that he will also talk to someone from Bloomington who's responsible for negotiating these contracts and find out what the terms are, because something just does not sound right. Mr. Stafford then stated that there is a second party in this that had to have some awareness they were offering up a contract to a Township that did not have the financial ability to enter into. Mr. Christian added that unless this Township approves incurring this debt, there is not much that they can do; it has to be approved locally before it can come here. Mr. Stafford asked if Mr. Lane would have to restart the process with a legal notice of the public hearing and then reconduct the public hearing to reconsider the resolution, or could it be reconsidered by the Board since they've already had a public hearing. Mr. Mettler stated that was a legal matter and that Mr. Lane would have to consult with his attorney.

**Middle Township, Hendricks County: Emergency Fire Loan:** The unit is requesting approval to obtain a loan in the amount of \$400,000 for a term of one (1) year for the purpose of paying recently added staff.

Project Costs: \$400,000

Amount applied to debt: \$400,000

Annual Payment: \$425,562

Emergency Loan Calculation: 2008 proposed	
Certified Property Taxes	\$353,600
Certified Misc. Revenue	\$358,000
Jan. 1st Cash Balance (June 30)	\$50
Total Funds Available	\$711,650
Less: Prior Year Encumbrances	\$0
Less: Estimated Expenses	\$1,177,218
Funds Remaining (Needed)	<b>\$(465,568)</b>
Advertised Budget	\$1,177,218
Adopted Budget	\$1,177,218
Advertised/Adopted Budget	\$1,177,218
Less Certified Budget	
Budget cut by DLGF	

Tax Rate Impact:

2007 AV \$332,048,882

Levy Needed \$389,562

Est. Tax Rate .1173

Meeting and Publication Dates:

Date of publication for a public hearing	12/06/2007
Date of public hearing	01/02/2008
Resolution/Ordinance adopted	01/02/2008
Notice of Determination	01/3 & 01/07/2007

Auditor's Certificate of No Remonstrance:

Missing Information: Auditor's Certificate of No Remonstrance

Note: Since this unit does not have a certified budget for 2008, it is not possible to determine their actual need yet. Any motion should state not to exceed some amount, not an actual amount.

**Present for the hearing:** Timothy Griffith, Trustee; Jerry Johnson, Firefighter PIO; Lynn T. Love, Trustee President; Dan Devlin, Township Trustee

**Comments:** Mr. Christian began by asking where the emergency is. Mr. Timothy Griffith, Trustee, answered by saying that they added a staff in 2006 because they were not making fire runs with their personnel. Mr. Christian asked how many staff they have, and Mr. Griffith said they have 12 now; 12 firefighters, three of which are paramedics, and they now have ALS service.

Mr. Griffith then took the floor by stating that in 2006, the first year he took the loan out, he had to because they were not able to make fire runs and they had to call for assistance from other fire departments, which isn't fair to the other departments. Thus, he said he had to take action so they could take care of their own emergency responses because the volunteers were simply not showing up. He said they did everything they could to recruit more, but they still would not show up. Mr. Griffith then went on to say that in 2006, they received an emergency loan for \$280,000. Last year, they received another emergency loan for \$400,000, and this year they are asking for exactly the same. This will not be an additional tax increase due to the taxpayers already paying the debt in the amount of \$400,000. He added that their fire fund tax rate and the payment of their loan together is cheaper than the adjoining territories of Brownsburg and Plainfield. He said that they have made the conversion from a volunteer fire department to a paid; they have made all of their responses and they have made ALS service available. Mr. Griffith stated that not only do they need this, but the citizens demanded it from them. They are just asking for the same thing they have received in the past, otherwise they will have to lay off all but four of their employees, and four people will just not do it.

Mr. Christian then asked Mr. Griffith what will happen next year. In response, Mr. Griffith stated that he does not know because he doesn't know what the State is going to do. He said he'll be going to the County and they'll be asking for the same thing. They may have to create a territory, or join an existing territory. But at this time, it will be increasing taxes to the taxpayers without getting anymore service than they already get. Mr. Griffith added that the other problem with joining Brownsburg is that if they go to the 1% tax cap, they are above it and will have to cut their budget. Mr. Griffith said that they are only at 85% if the school operating and the school transportation fund are taken out. He said that they are in better shape than Brownsburg,

so they would rather create their own fire territory because that would allow them to raise their taxes to where they'd need to be so they wouldn't have to do emergency loans anymore, though it is too late to do that this year. Mr. Griffith then went on to say that they are trying to cut their budget wherever they can so they can have enough money for pay raises. He only gets a \$13,000 increase in the tax levy, and with the other funds, such as CAGIT, he has no more now than in 2001. He said he was already in the hole before he even started.

Mr. Mettler then proceeded to ask Mr. Griffith what his current cash balance is. Mr. Griffith stated that he has temporary loans from the cumulative fund, temporary loans from the debt fund that there was extra money in, and he's using that money until he gets the emergency loan. He stated that it looks as though the emergency loan is going to be delayed, so he will have to do a tax anticipation loan. Mr. Mettler asked what today's balance was, and Mr. Griffith replied by saying that it is around \$100,000. Mr. Mettler wanted to know how long that money will last, to which Mr. Griffith stated about a month and a half.

Mr. Christian then wanted to clarify if Mr. Griffith has a couple hundred thousand in his cumulative fund, and Mr. Griffith stated that they have \$212,000 in their cumulative fund. He said it is used for temporary loans, and last year they used some to purchase an ambulance. He then added that he cannot use the cumulative fund for the operating budget.

Mr. Mettler asked if they have an equipment replacement schedule that they are saving their cumulative fund for. Mr. Griffith said yes, and that they only use the cumulative fund for replacing equipment. He then added that once the emergency loan and the station are paid off in two years, they may up that in order to get more money into that fund.

Mr. Mettler then asked Mr. Griffith if they were at the maximum tax rate for cumulative fire. In response, Mr. Griffith stated that they were not, but he just does not want to raise it right now because the tax rate is high enough, at least until they take some debt off.

Mr. Jones then wanted to clarify that this emergency loan is equivalent to the amount in 2007. Mr. Griffith stated that it was the same. Mr. Jones said that there will then be no impact to the total rate. Mr. Jones asked Mr. Griffith if the loan is denied, if he will have to lay off at least 8 employees and Mr. Griffith said yes.

Mr. Jones proceeded to ask Mr. Griffith for some more information on their assessed value. Mr. Griffith stated that their assessed value is \$335,000,000, which is up about 30% from last year. Mr. Stafford stated that their rate should go down then, to which Mr. Griffith agreed.

**Motion:** Mr. Stafford motioned to recommend approval for an emergency fire loan in the amount of \$400,000. Mr. Mettler seconded, and the motion carried with a vote of 4-0.

Mr. Stafford stated that this is based on the fact that the Board, along with the Department, concurred in the scheme plan back in 2006 when they started hiring, and this a continuation of that plan.

## **Randolph Township, Tippecanoe County: Fire Equipment & Building Loan:**

The unit is requesting approval to obtain a loan in the amount of \$200,000 for a term of six (6) years for the purpose of purchasing a 2000 gallon tanker truck.

Project Costs: \$220,000

Amount applied to debt: \$200,000

Annual Payment: \$37,188

Controlled or Uncontrolled: Controlled

Revenue Source for Property Tax Backup: N/A

### **Tax Rate Impact:**

2007 AV \$59,025,570

Levy Needed \$20,188

Est. Tax Rate .0342

### **Meeting and Publication Dates:**

Date of publication for a public hearing 11/30/2007

Date of public hearing 12/11/2007

Resolution/Ordinance adopted 12/11/2007

Notice of Determination 12/12/ & 12/13/2007

Auditor's Certificate of No Remonstrance: 01/17/2008

Common Construction Wage: N/A

Fire Marshall Office's response: Type and cost of equipment are reasonable.

Missing Information: None

**Present for the hearing:** Marcella Maynard, Township Trustee; Tobias Frost, Assistant Chief; Keith Barker, Chief; and Mike Kyger, Deputy Chief

**Comments:** Mr. Christian began by confirming that Randolph Township was there for a 2000 gallon tanker truck, though he did ask if they were wanting new or used. In response, Mr. Keith Barker stated that they were wanting a new truck. Mr. Christian asked if they had checked the previously used market, and Mr. Barker said they had, though every one they could find needed work done to them, and they'd still end up with a chassis that is similar to what they have now which is not NFPA compliant.

Mr. Barker then took the floor to say that they have no municipal water system in their Township, so all their water must be trucked in for firefighting operations. The nearest hydrants are eight miles to the north and five miles to the south, but most of the operations in their Township are going to take place from a static water source, such as ponds, creeks, and gravel pits. Mr. Barker stated that because of this, they need a good, reliable water pump along with a truck to haul this.

Mr. Christian then asked what they currently have, and Mr. Frost stated that they have a 1900-gallon tanker on a Ford chassis that is over 20 years old. They have a lot of ongoing maintenance issues with it, such as the steel tank leaking, the welds are starting to fail, and the leaks are starting to rust through. They have had the leaks patched, they've redone the welds, and they've even lined the tank with a polymer, but the leaks still are continuing to develop. Mr. Frost added that the dump valves on the tank are leaking and need to be replaced, the tool compartments are starting to rust out, the chassis is starting to have problems, and the airlines for the brakes are starting to fail and corrode. The only pump on this tanker is a 300 gallon/per minute portable pump that is also 20 years old, which they use for drafting and field fires. He then continued by saying that because of the pump's age and wear, it has become an ongoing maintenance issue as well. They still do monthly regular maintenance on the pump and annual preventative maintenance as well. Last year the pump froze while they were on a fire and the pump and casing cracked, and at that time they were told parts are no longer available for that pump. Mr. Frost then stated that they were able to repair it and make it keep going, but it has become an ongoing issue. This year there was a field fire they were using it at, and in the midst of the field fire they had to stop and repair it because there was a carburetor issue. Mr. Frost then said that the problems they see and that keep coming up are age issues; corrosion and part failure just because of age. Because there are no hydrants in the area, their tankers are the only source for water, so it is critical that they have a reliable water source. Mr. Christian wanted to confirm the age at 20 years old, and Mr. Frost confirmed that.

Mr. Frost then stated that the new tanker they specified is a 2100 gallon with a 1250 gallon per minute mid-shift pump instead of the 300 portable pump, which would allow them a backup for their first-line pumper. The new tanker would provide them with a reliable water source and a backup pump that they currently do not have. He continued by saying that they are specifying a truck to match the truck they have now in size so it will still fit in their garage.

Mr. Stafford then wanted to confirm that they were going to use about \$20,000 of their cash balance in their cumulative fund in the beginning, and then use about \$15,000 a year to supplement payments. Ms. Maynard confirmed that, and then Mr. Stafford asked how much they would need to raise annually in their debt service fund. Ms. Maynard said 3.5 cents. Mr. Stafford then wanted to know how much their annual loan payment would be, and Ms. Maynard handed the Board their amortization sheet, which stated that their loan payment would be about \$32,000 a year: about \$20,000 from their debt service fund, and then the \$15,000 a year from their cumulative fund. Ms. Maynard went on to say that they have \$97,000 in their cumulative fund, and \$49,000 in money market for fire.

Mr. Stafford asked how many trucks the Township has, to which Mr. Kyger stated that they currently have three trucks: their frontline pumper is a 2000 Pierce Saber, their rescue truck is a 1995 Dodge Ram, and the truck they are trying to replace is a 1988 F-800.

Mr. Stafford then wanted to confirm that they do not currently have any outstanding debt, and Ms. Maynard said that they do not.

Mr. Mettler then asked why they chose to go six years on the loan. Ms. Maynard stated that is what they've always done. She has only bought one other truck, and she went six years on that

one, so she thought she would go six years on this one as well. Ms. Maynard continued by saying that before she had cleared everything out of the cumulative fund and the money market fund, so they only had to borrow \$20,000 when she bought their other truck. But, she didn't think at that time if something would have happened; they had no money to repair any of the trucks if there was work that needed to be done. Ms. Maynard stated that that is why they went this route this time.

Mr. Stafford then asked when they anticipate having to replace the next vehicle, to which Mr. Keith Barker replied that it would probably be the 1995 Dodge Ram; it does double duty as their rescue truck and their brush truck. He went on to say that at this time there are no problems with the truck, so they do not have a schedule to have it replaced as of yet.

Mr. Stafford stated that it looks like they are very close to having a logical debt schedule, where as debt comes off for one, so there will be no overlapping debt.

Mr. Christian then noted that there was a letter from Old National that was dated Jan. 18, 2008, and the document that was just handed to them (the amortization schedule), dated Feb. 5, 2008, shows that the interest rate went down from 3.45% to 3.21%. Mr. Mettler then asked how many banks they contacted, and Ms. Maynard said three. The highest was 6.5%, the next one was 5.57%, and this one was the lowest.

**Motion:** Mr. Mettler motioned to recommend approval for a loan in the amount of \$200,000. Mr. Stafford second, and the motion carried by a vote of 4-0.

**Boston Township, Wayne County: Fire Equipment & Building Loan:** The unit is requesting approval to obtain a loan in the amount of \$40,000 for a term of six (6) years for the purpose of purchasing a grass rig.

Project Costs: \$70,000  
Amount applied to debt: \$40,000  
Annual Payment: \$7,900

Controlled or Uncontrolled: Controlled

Revenue Source for Property Tax Backup: N/A

Tax Rate Impact:  
2007 AV                      \$49,233,190  
Levy Needed                \$7,700  
Est. Tax Rate                .0156

Meeting and Publication Dates:  
Date of publication for a public hearing                      11/03/2007  
Date of public hearing    11/13/2007  
Resolution/Ordinance adopted                                      11/13/2007

Notice of Determination

12/05/2007

Auditor's Certificate of No Remonstrance: 01/24/2007

Common Construction Wage: N/A

Fire Marshall Office's response:

Missing Information: None

**Present for the hearing:** Patrick Stack, Trustee/Assessor; and Joseph P. Buckler, Fire Chief

**Comments:** Mr. Christian started off by asking why they need the \$40,000 and the grass rig and if it is replacing an existing one. Mr. Patrick Stack stated that yes, it is replacing outdated equipment. Mr. Stack went on to say that they've had a problem with the piece of equipment not being safe, and this will bring them up to date. He then stated that they have enough money to purchase the truck itself, but the loan they need is to purchase the back part of it that will make it sufficient for what they need. Mr. Christian asked how old their current grass rig is, to which Mr. Buckler stated it is a 2001. Mr. Buckler then took the floor to say that the problem with the truck is that it is overweight, and it makes it unsafe to drive on the road. When the truck is off-road it sinks, gets stuck, and is essentially useless at that point. He stated that their plan is to lighten the truck to where it would be effective off-road and to be able to put good off-road tires on it so it does not get stuck. In that they want to replace a 1987 van that they use as a support vehicle. All the parts that are on the existing grass rig will be reused on the new chassis to replace the van. The water pump is going to be used on the grass rig once the new bed is put on it, and the existing utility bed on the grass rig will be reused on a new chassis to replace the van. Mr. Stack said they are basically killing two birds with one stone. Mr. Buckler stated that the van they have is a 1987 van donated by GTE several years ago, and was then made in to a fire truck. This truck has had thousands and thousands of miles on it before they took it. Mr. Buckler continued by saying that it has basically become unreliable. Half the time it will not start, or it takes several times and/or jumping it to get it to start. They have had it in the shop to be looked at multiple times without any correction being made.

Mr. Buckler then went in to further detail by saying that the man who will be working on these vehicles will be removing the utility bed that was on the existing grass rig and then he will take the water pump and the other items that are in that utility bed and use them on one of his custom beds. In referring to the handout that he gave the Board, Mr. Buckler said the final result will be a cab pickup truck with a water tank. He added that one nice thing about this design, in regards to the roll bars, is that it has two seats that are back to back in the back of the cab, which allows the firefighters to sit in the back with a hose line to fight the grass fires. Those seats have seatbelts, and if the truck were to roll over, the roll bars would allow rollover protection for the firefighters that are riding in the back.

Mr. Mettler then asked what they are going to do with the old equipment. Mr. Buckler said that everything is going to be reused. Mr. Mettler asked what they are going to do with the things not being reused, such as the old van. Mr. Buckler said that everything is going to be reused on the

current grass rig except for the water tank because they have to drop some of the water weight in order to lighten the truck up. He continued by saying that the man who will be working on these vehicles has given them a \$1000 credit for that tank. In regards to the van, Mr. Buckler stated they will just bid the van out and sell it.

Mr. Buckler then wanted to confirm that they are reusing the bed unit off the existing grass rig, which has a utility bed with the boxes and compartments. They are then going to put that on a new chassis to replace the van. He said this would allow them to take all the equipment out of the van and carry it on a new chassis. Mr. Mettler wanted to clarify that the old rig would then become their support vehicle. Mr. Buckler said no, because the old rig will still remain the grass rig. They are essentially fixing the deficiencies in the existing truck with regards to it being overweight and not working, and at the same time they are using all the equipment off of it either on it or on the new chassis in order to replace the van as well. Mr. Buckler stated that the man who is doing the bed unit is also going to do the work as far as putting the bed on the new chassis and making it into the replacement for the van as well.

Mr. Christian then confirmed that the loan is going to be for six years, and that they have one that is going to be rolling off in 2010. Mr. Stafford asked how they are going to be retiring the debt on their current loan because they do not have a rate on their debt service fund. Mr. Mettler asked if they were paying it from their cumulative fire fund, and Mr. Stack said yes.

Mr. Jones asked what the total property tax rate for their Township is for 2008. Mr. Jones then added that their total rate in 2007 was .1028. Mr. Stack stated that he does not have that information.

Mr. Jones then wanted to confirm that he understands their proposal. He stated that they are asking for a bank loan for \$40,000 over six years. They are estimating their levy at \$7700, and the rate impact is roughly 1.5 cents. They are going to use \$30,000 from their cumulative fire fund. Mr. Stack confirmed, and stated that the \$30,000 is for the new chassis. Mr. Jones said that the total cost of the equipment and the new chassis is \$70,000, minus the \$30,000 they are using from the cumulative fire fund.

Mr. Stafford then wanted to confirm that they are going to have \$40,000 of new debt, and they are going to use the debt service fund to pay that. But, he added, they are going to take \$30,000 out of the cumulative fire fund to do it. Then they get about \$8000 a year in property tax levy in their cumulative fire fund. Then they also have a near \$20,000 a year obligation for their existing debt that they are paying out of the cumulative fire fund. Mr. Stafford stated that he does not believe they will have enough money in the cumulative fire fund to do all of that. Mr. Stack said that they will be able to do it because Wayne Hudson (DLGF field rep) and he refigured the loan, and when they did their 2008 budget, Mr. Hudson figured with the bank loan what it would be for another. Mr. Jones then figured out that there was an error in the paperwork, and that the payments were probably being made out of the fire equipment bond, which is a debt service at a rate of 2.26%. Mr. Jones said they also have a fire equipment debt, which is 7 cents, so that could be where they are paying for it out of.

Mr. Christian stated that two years in to this, they will have a debt that will fall off, and Mr. Stack concurred.

Mr. Jones added that the budget for their fire equipment bond is \$10,000, which explains the earlier situation.

**Motion:** Mr. Mettler motion to recommend approval of a fire equipment loan in the amount of \$40,000. Mr. Stafford second, and the motion carried by a vote of 4-0.

**Orange County Unit, Orange County: General Obligation Bonds:** The unit is requesting property tax backup for bonds in the amount of \$2,280,000 for a term of ten (10) years. The proceeds will be used to finance renovations to the County Courthouse and to pay costs associated with the construction of the Project and with the issuance of the bonds.

Project Costs: \$2,280,000

Amount applied to debt: \$2,280,000

Annual Payment: \$338,450

Controlled or Uncontrolled: Controlled

Revenue Source for Property Tax Backup: Gaming admissions tax and wagering tax

Tax Rate Impact:

2007 AV	\$634,116,614
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Levy Needed	\$314,750
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Est. Debt Service Rate	.0496
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Meeting and Publication Dates:

Date of publication for a public hearing	N/A
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Date of public hearings	N/A
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Resolution/Ordinances adopted	06/21/2007
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Notice of Determination	N/A
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Auditor's Certificate of No Remonstrance: N/A

Common Construction Wage: 07/24/2007    Vote: 3-0-1

Missing Information: None

**Present for the hearing;** James C. Tucker, County Attorney; Donald Crockett, County Commissioner; James Springer, County Commissioner; Thomas A. Lamb, County Commissioner; Delbert Murphy, Taxpayer; and Thomas Peterson, Bond Counsel from Ice Miller

**Comments:** Mr. Christian began by asking if this is coming in strictly as a backup, and Mr. Tucker, Orange County Attorney, confirmed. Mr. Christian wanted to confirm that the vote on the construction wage was 3-1, and again, Mr. Tucker confirmed.

Mr. Tucker then took the floor and stated that they are blessed in Orange County with a gem of courthouse. Built in 1850, it is the site of the circuit court, the probation department, and the clerk's office, and it is in the center of town. Mr. Tucker went on to say that it has been the county's position, unanimously from all involved, that they preserve this architectural gem. It is one of the outstanding Greek revival pieces of architecture in existence. He went on to say that it is either the second or third oldest Courthouse that continues to be used in the state of Indiana. Orange County has been the site of quite a bit of economic activity connected with the casino and the redevelopment of the French Lick Resort and the West Baden Springs Resort. He continued by saying that one of the benefits of that is that some of the projects that are needed can be addressed by the Commissioners and the Council. The Commissioners and the Council voted unanimously to attempt to bring the Courthouse up to where it should be, and in so doing they applied for grants first. The County applied for four grants, and the one that was successful was a grant for \$600,000 from the Office of Community Affairs, which is for an elevator and handicap accessibility in the restrooms and for getting in to the Courthouse. Mr. Tucker then stated that that project will be completed this month. They are segwaying from that in to a renovation of the Courthouse. The commissioners and the Council applied for three other grants: one was Save America's Treasures for \$300,000 plus a match, one from the Division of Historic Preservation for \$35,000, and one from the Indiana Department of Transportation for \$1 million. Mr. Tucker stated that all of those were denied. He then said that the preservation of the two historic hotels in Orange County was one of the Legislature's priorities. Aside from the French Lick Resort Hotel and the West Baden Springs Hotel, the most outstanding architectural gem in the County is the Orange County Courthouse, so the elected officials and the citizens of the County then went in to the next project, which was bringing the Courthouse completely up to date. The Council and Commissioners have set a budget maximum of \$2.28 million, and that is the maximum that they are asking approval for. Mr. Tucker then went on to explain that they are also looking at alternate sources of funding in addition to admissions and wagering tax receipts. They have asked for a grant from the Orange County Development Commission and they will ask for other grants. He stated that the reason they are here today is to provide property tax backup so they can get a better rate. Based on the success of the casino, the County expects to receive \$1.7 million annually in wagering and admissions taxes, so this will be a small part of that, but it will allow them to get a better rate on their bonds.

Mr. Christian then asked what the coverage is on the property tax backup. Mr. Crockett stated that the coverage, based on the 2007 revenues that the County received, was over three times. At a 6% interest rate it was 3.6 times, and at an 8% interest rate it was 3.3 times. He continued by saying that these interest rates are very high, and they're being conservative so the coverage would be better than that. Mr. Crockett said that in this type of market, this is something that will probably be done with a local bank. They are only asking for a 10 year period at a maximum of \$2.28 million so the local banks will want to participate, but they like to see that property tax backup. And with the coverage, they do not anticipate debt service to be a problem. Mr. Crockett said that if they can get it paid off or done earlier, they will probably do that. This will just allow the County to have some flexibility by borrowing some money today.

Mr. Jones then asked what kind of rating do they expect from a backup versus without the backup. Mr. Crockett answered by saying that they would not rate this because of the time period and the amount involved, a rating would probably cost them around \$15,000 and it would not make a lot of sense.

Mr. Stafford asked if 2007 was the first year that they had received the wager and admission tax revenue. Mr. Tucker replied that there were two months in 2006, and 12 months in 2007. Mr. Stafford asked what provisions have the Commissioners and the Council put in to place so that the backup is not going to get used for something else five years down the road. He also asked if there was any procedure in place. Mr. Tucker stated that there is no set procedure. Mr. Crockett said that there is a bond ordinance that has been adopted by the County, and that bond ordinance gives the owners of these bonds the first right and legal pledge to these revenues. Mr. Stafford then wanted to confirm that if revenues were coming in and they got diverted for another use, the County would be in violation of the bond ordinance, and Mr. Crockett concurred. Mr. Crockett stated that it will not be required to set the first dollars aside for the debt service for the entire 10 years, but usually when looking for a one year basis, they'll collect and set those revenues aside as they come in. Mr. Stafford said that his concern is that as people change, new issues come up. Mr. Thomas Peterson, Bond Counsel from Ice Miller, stated that the bond ordinance requires that the first monies that come in get deposited into a bond and interest account until it reaches the amount that equals the debt service for the next 12 months. So no other money then goes for other purposes until after that is filled up first. Mr. Mettler then asked if that money is deposited with the Trustee or if it is held in a separate account. Mr. Peterson stated that it is held in a separate fund at the County level. He added that being general obligation bonds, they do not have a separate Trustee.

Mr. Jones then asked how much other renovation work is required for the Courthouse. Mr. Tucker replied by saying that this will do it. Mr. Mettler asked if any of the work is going to be done by an energy savings contract, and Mr. Tucker said no.

Mr. Christian then asked if the bids and the costs are locked in, to which Mr. Tucker said no. Mr. Tucker stated that the Council is really clear that \$2.28 million is it, so they will have to look for other ways to get money or limit the scope.

Mr. Mettler asked if they have signed a general contractor yet, or picked one. Mr. Tucker stated that they hadn't, but today they should be completing the final design and then expect to issue competitive bids. Mr. Jones asked how many square feet the Courthouse is, and a respondent said it was very close to 9000 sq. ft.

Mr. Delbert Murphy, a taxpayer, then took the floor to express his concerns about the project. He stated that he is not opposed to this project, but he is opposed to every time something starts, they start claiming things that are never done. In regards to the casino money, he said there is not one cent that is guaranteed with that, and that he would like to see something in writing. Mr. Murphy just doesn't think the taxpayers of Orange County can take anymore, and he feels as though the taxpayers aren't being allowed to get involved with anything.

Mr. Tucker stated that they are trying to be as kind to the taxpayers as possible by attempting to get grants from every source that is available, which is what they've done on the Courthouse. He then stated that Mr. Murphy has never been opposed to the project; his previously stated objection was to set a specific amount, which the Council did. Mr. Tucker stated that the County has been very much attuned to the taxpayers in Orange County, and with particular respect to the Courthouse by applying for and receiving grants with respect to handicap accessibility, and utilizing casino revenues to that project which is unanimously agreed upon in the County. He then went on to say that even Mr. Murphy agreed that they need to keep the Courthouse and not to let it go into disrepair, according to his testimony last summer before the Council. Mr. Tucker said that if they lost their Courthouse, the cost of replacing it would far exceed the cost of maintaining it. The location of the Courthouse is ideal, but if a new government building is to be erected, it would be in that location. He stated that Orange County has chosen to utilize their Courthouse which is historical and the centerpiece of the County.

Mr. Christian then wanted to confirm that the majority of this project will be paid through casino revenue. Mr. Crockett confirmed and then added that the admissions tax and the other tax involved with the casino revenue will provide over 3.5 times coverage. Mr. Christian wanted to further clarify by saying that the coverage is there if it is needed because these bonds are going to be sold. Mr. Crockett confirmed again and then said that the casino revenues provide three times coverage on the potential debt service and will pay 100% of that debt service.

Mr. Mettler then asked if the \$1.7 million is the County's share of the admissions tax, to which Mr. Crockett replied that that's how much the County retains. Mr. Christian wanted to confirm that the total taxes collected from the casinos was \$1.2 million. Mr. Crockett said that was correct for the 2007 collection year. Mr. Tucker stated that January was poor, from what he read in the paper, but the wagering tax itself was \$100,000 to the County net. Mr. Crockett said that last month's collections were the best they have had. Mr. Tucker then stated that it is a graduated tax and they are on a fiscal year, so it tends to get better toward June 30, which is the end of their year. Last year they only had seven or eight months in to it, so this year should hit \$1.7 million because their adjusted gross receipts will be at least \$100 million for the casino. Mr. Christian wanted to confirm that for the casino, 2007 only consisted of seven or eight months; not a full year. Mr. Tucker said that no, it was a full 12 months, but it wasn't a full fiscal year. He then added that their first full year where the casinos were operating will be from July 1, 2007 to June 30, 2008, and they should hit at least \$1.7 million.

Mr. Jones asked if the \$1.2 million for the total taxes collected is for Orange County, and Mr. Crockett said that that is how much goes in to the County's funds; it does not include Paoli or Orleans, or anybody else; that is how much they keep. Mr. Jones asked with that \$1.2 million estimated annual revenue, the debt service will be approximately \$300,000. Mr. Crockett said that yes, it will be around \$340,000 to \$360,000 depending on the interest rate. Mr. Jones then asked if they have established a debt service reserve fund, to which Mr. Crockett stated that they have adopted a bond ordinance, but he does not know if they will have a funded reserve fund. Mr. Jones asked to what degree will they start funding the debt service reserve. Mr. Peterson replied and said that there is not a debt service reserve, its that the first monies are caught, so basically the first \$340,000 goes into the bond and interest accounts so there is no money provided for other uses until those bonds have captured theirs first. He added that there would

have to be a significant reduction in the amount of gaming revenues for the property tax backup to kick in. Mr. Jones stated that the casino would basically have to close, and Mr. Crockett concurred.

Mr. Jones then said that most of these renovations would have to be done anyways to the Courthouse, but the question is how to pay for it, and they have chosen to rely on casino revenue instead of property taxes or income taxes only.

**Motion:** Mr. Stafford motioned to recommend approval of a property tax backup for a principal not to exceed \$2,280,000 for a term not to exceed ten years. Mr. Jones seconded and the motion carried with a vote of 4-0.

Mr. Stafford commented that they have laid out one of the most prudent manners of dealing with something, and he applauded them for that. Mr. Jones also commended them on their alternative for using tax revenue.

**Luce Township, Spencer County: Fire Equipment & Building Loan:** The unit is requesting approval to obtain a loan in the amount of \$175,000 for a term of six (6) years for the purpose of purchasing a fire truck.

Project Costs: \$175,000  
Amount applied to debt: \$175,000  
Annual Payment: \$40,772

Controlled or Uncontrolled: Controlled

Revenue Source for Property Tax Backup: N/A

Tax Rate Impact:  
2007 AV                      \$79,690,600  
Levy Needed                \$25,342  
Est. Tax Rate                .0318

Meeting and Publication Dates:  
Date of publication for a public hearing                      09/20/2007  
Date of public hearing    10/01/2007  
Resolution/Ordinance adopted  
Notice of Determination    10/18 & 10/18/2007

Auditor's Certificate of No Remonstrance: 11/29/2007

Common Construction Wage: N/A

Fire Marshall Office's response:

## Missing Information: Resolution/Ordinance

### **Present for the Hearing:** James Rapp, Trustee

**Comments:** Mr. Christian began by asking if Luce Township was looking for a new fire truck, to which Mr. Rapp said that they cannot afford a new one. Mr. Mettler then asked what kind of truck are they wanting to buy. Mr. Rapp said a tanker/brush truck. Mr. Mettler then asked if it will be used off-road, and Mr. Rapp stated that it would be. He said they found a four-wheel drive, so it would suit their needs quite well. Mr. Mettler asked how much water will it hold, and Mr. Rapp answered that it is a 2000 gallon, but they are talking about scaling that down 500 gallons. Mr. Mettler commented that that was a lot of weight to be taking off-road, and Mr. Rapp agreed. He stated that they are looking also at the gross weight of a poly tank versus a stainless tank, so it will be within the specs for the roads. Mr. Mettler then stated that they shouldn't be worried about the roads, but rather being out in the field fighting a brush fire. Mr. Rapp then commented that they have a rescue/brush which is a one-ton four-wheel drive that they do most of their brush fighting with, and the principal replacement is the tanker, but they are incorporating rescue/brush to get more use out of the truck. Mr. Mettler asked if they will be having a one inch hose reel and Mr. Rapp said yes. Mr. Rapp then went on to say that the truck they found is quite unique; they found it out in Arizona where they do brush fires all the time. He feels they don't have to necessarily utilize their methods all the time, but they can take some of their ideas and go forward with them. He said they have also learned a lot from them with the type of hoses they use to drag through the fields and so forth. Mr. Rapp then stated that the truck also has a monitor on the front, so it is basically a one man truck where foam can be injected into it. He said that is a third purpose they found for the truck, because in car fires, the windows are normally knocked out, so they can hit the car with the foam. He said that they have put a lot of thought into this truck.

Mr. Mettler then asked how they were going to get the truck back to Indiana, and Mr. Rapp stated that that is within the bid specs; how they deliver it. He said they shouldn't have to drive it back and that he'd rather them (the sellers) have the responsibility if something were to happen. Mr. Rapp commented that the prices are coming in under the \$175,000. Mr. Mettler then asked what the current price of the truck that they are looking at is. Mr. Rapp said it is in the neighborhood of \$130,000, so they are not going to be borrowing near the \$175,000 mark.

Mr. Stafford then asked why he indicated that there would be no rate impact for this project. Mr. Rapp stated that they have a continuation of a fire equipment debt. Mr. Mettler then asked when the last debt was paid off, to which Mr. Rapp replied that they paid it off in December of 2007. Mr. Stafford asked what the rate was in their debt service fund with the old debt. Mr. Rapp said it was .03. Mr. Jones confirmed that rate along with a levy of \$25,300. Mr. Stafford then wanted to confirm their estimate that this project was going to be an eight cent rate that would come down if the cost of the vehicle is going to come down. Mr. Rapp said that was correct. Mr. Stafford said that there would be some increase to the taxpayer from last year, but Mr. Rapp stated that there would not be an increase, but rather probably a decrease with the fact that it is a continuation. He said they are just continuing the debt fund and it has always been on a zero

balance so if their loan amount is coming in less than the original purchase six years ago, he feels like it will come in less.

Mr. Stafford then stated that the numbers they put in their hearing information sheet do not tell the same story. He said it shows that they have nothing in current debt service, so he asked if that means that in 2008 there is no rate for the debt service fund. Mr. Rapp said that there is, but there is no current debt service because they haven't borrowed yet. He said that is the way he took it. He stated that it is in the budget, and then Mr. Stafford said that it is because they anticipate a debt service payment before the end of the year. Mr. Rapp agreed.

Mr. Stafford then wanted to confirm that they were paying off debt in 2007, and Mr. Rapp confirmed that. Mr. Stafford asked how much their debt service payment was in 2007. Mr. Rapp guessed it was around \$33,000 to \$34,000. Mr. Stafford asked if he believed that their debt service payment in 2008 and 2009 will be no more than their debt service payment was in 2007. Mr. Rapp replied that he anticipates the payment in 2009 will be less than that in 2007.

Mr. Stafford then stated that there are some more errors in the hearing information sheet. Mr. Christian asked if they need to be corrected before a final determination is made, and Mr. Stafford answered that he believed the calculations that the Department (DLGF) has made are more appropriate as to what the anticipated debt service fund will be than the number that was given. He said that the amount borrowed is about the same, but the rate calculation by the Department (DLGF) is closer to being right.

Mr. Jones then asked what the population of Luce Township is, and Mr. Rapp said they have 3600 parcels; about 3000 people.

Mr. Jones pointed out a mathematical error on their hearing information sheet. He said they have listed an annual payment of \$40,772, distributive shares at 0, an estimated excise tax at \$3000, and FIT at \$49,000. He said \$25,342 is not the correct calculation, and that he got \$37,723.

Mr. Jones then asked what the payments on the truck will be, and Mr. Mettler asked if the amortization is from one of their local banks. Mr. Rapp could not find the amortization table, but said they went with Integra, a local bank that had the lowest bid.

Mr. Mettler commented to Mr. Jones that the \$37,723 figure he came up with earlier is going to be a little closer if they have to borrow the \$175,000, because that gives a total of \$226,000 over six years, which is about \$50,000 in interest. Mr. Jones stated that it is pretty close, because that would give them an effective interest rate of 4.7% per year, and they were quoted at 4.6%. Mr. Mettler said that roughly, it comes down to where the estimated levy has got to be at that \$37,700. Mr. Jones then stated that they are not talking about a 3.5 cent tax rate anymore; they are talking about an eight cent rate. Mr. Mettler disagreed because an 8 cent tax rate is \$56,000. He said it would be about four cents.

Mr. Stafford then asked that since their bids were coming in substantially lower than the \$175,000 they originally requested, how much they think they are really going to borrow. Mr. Rapp said on the high end \$140,000, and on the low end \$120,000 or \$110,000.

**Motion:** Mr. Stafford motioned to recommend approval for a fire equipment and building loan not to exceed \$140,000 and not to exceed six years. Mr. Mettler seconded and the motion carried by a vote of 4-0.

Mr. Christian stated that this motion is subject to having a resolution and an amortization table. Mr. Stafford asked Mr. Rapp if he was convinced that the \$140,000 will get the job done, and he said he was.

### **Washington County Unit, Washington County: Shortfall Appeal**

<b>Max Levy</b>	<b>Requested</b>	<b>Advertised</b>	<b>Worksheet</b>
Civil	\$131,212	\$50,000	\$ 84,263

Appeals History: 1997 Family and Children \$108,806

<b>Tax Rate Impact:</b>	<b>Appeal Rate</b>	<b>Unit's Rate</b>	<b>District Rate</b>	<b>Unit Increase</b>	<b>District</b>
Increase	.0053*	.4249	\$2.3996	1.25%	.22%

\*Based on \$50,000

Maximum appeal unit can qualify for is \$50,000

**Present for the hearing:** Mark D. Clark, Attorney for County Council

**Comments:** Mr. Christian began by stating that although the Washington County Unit is asking for \$131,000, they have only advertised for \$50,000. Mr. Clark said that is what their Auditor advertised for, so that would be correct. Mr. Christian then said that the maximum amount that they can receive is what they advertised for.

Mr. Mettler commented that since this is for the year 2007, they would not have any idea what the shortfall would be when they advertised in September. He said there could still be refunds and Certificates of Error until the end of the year, so he does not see how they could know. Mr. Jones stated that they have until December 31 to file for the appeal, but they have to have something adopted with their annual budget because there's going to be an increase to the taxes and the rate in the following year. Mr. Mettler then asked if they knew they were going to have a large refund, or they did have a large refund in June, for instance, then they would need to advertise high within their budget for an appeal. Mr. Jones said yes, if they anticipate a shortfall or a large refund, they would have to advertise something with their budget.

Mr. Clark then stated that he was confused about the budget advertisement in terms of 2007. Mr. Mettler said that the appeal covers 2007 taxes that were paid, so that means the rate would go on into 2008. But for a shortfall, he said, that means that there had to be Certificates of Error or a refund to a taxpayer. Mr. Clark said that their main problem was a refund to a taxpayer. Mr. Mettler said that what they would be able to claim would be the County's portion of that refund, plus any County's portion of the Certificates of Error. Mr. Mettler went on to explain that the

problem is that when the budget was advertised under the excess levy to be requested, it would only show \$50,000. Again Mr. Clark said that is what the Auditor advertised.

Mr. Mettler then asked Mr. Jones if this is a one-shot-only appeal, and Mr. Jones said it was a temporary appeal; in one year it will go back. Mr. Mettler asked if they could pick up the rest of the \$131,000 next year and Mr. Jones said it would have to be up to their County Council.

Mr. Christian clarified that the amount they are talking about now is \$50,000.

Mr. Clark then took the floor and stated that approximately \$35,610 of the shortfall was due to a refund to one taxpayer. They cash-refunded to them over \$300,000 based upon a three-year refund. Mr. Stafford asked if they paid that refund in 2007, and Mr. Clark confirmed that. Mr. Stafford tried to confirm that the County's share of that is what helped them come up with the \$131,000 and Mr. Clark said that was correct.

Mr. Stafford then asked what would happen if this shortfall appeal is not granted. Mr. Clark stated that for 2008, he would not see any issues, but for 2009, with the notification that they have had another appeal and need to reassess, they have lost \$1.64 million on reassessment. The 2009 budget will force some layoffs in some of the departments. They have had approximately \$14,000 - \$15,000 in Certificates of Errors historically for the last three years, and have just absorbed those. Mr. Stafford stated that they are not at a point where their cash balance allows them to do that anymore, and Mr. Clark said that was correct. Mr. Clark stated they absorbed those by having a riverboat source of income that does come in. Mr. Christian then wanted to confirm that this is not going to affect them until 2009, and Mr. Clark said they have passed their 2008 budget, and he does see them completing their 2008 budget this year. Mr. Stafford stated that they will just enter 2009 with a lower cash balance, and Mr. Clark confirmed that, and then he added that it could even be a negative cash balance, especially their general fund which has been running negative cash balances well in to December for the last three or four years.

Mr. Stafford then commented that the bigger issue is going to come next year. Their 2010 budget is really going to be in bad shape if they don't do something, if indeed the Correction of Errors comes through with the magnitude Mr. Clark is predicting. Mr. Jones added that if they are anticipating that, they can make that adjustment when they do their next year's budget. They can adjust their rate and their budget to reflect that because the controls are on their levy and the levy can only grow at a certain percent. He added that they have to put a cap on the levy at a percentage of their assessed value. They could therefore make the necessary corrections on their 2009 budget. Mr. Mettler stated that they could ask for the remainder of this plus anything that would happen on that appeal.

Mr. Jones then asked what their fund balance is, to which Mr. Clark replied that he does not know; he is only the Attorney. Mr. Stafford noted that that is important information to be filed supplement to anything they do here today. He continued that if they really do not need it, then why should the taxpayers pay more, but if the budget is not going to work without it, then it is a legitimate appeal. Mr. Christian stated that if it is not needed in 2008, why should they approve it, even knowing that 2009 is going to be affected. Mr. Mettler commented that they will not get

all of their 2009 money until December of 2009. All the Board members then agreed it was a cash flow issue.

**Motion:** Mr. Stafford motioned to recommend approval for a shortfall appeal in the amount of \$50,000. Mr. Mettler seconded and the motion carried by a vote of 3-1. Mr. Jones cast the dissenting vote.

**Pleasant Township, Wabash County: Fire Equipment & Building Loan:** The unit is requesting approval to obtain a loan in the amount of \$140,000 for a term of six (6) years for the purpose of purchasing a fire rescue truck to replace a truck that was destroyed in an accident.

Project Costs: \$140,000  
Amount applied to debt: \$140,000  
Annual Payment: \$27,860

Controlled or Uncontrolled: Controlled

Revenue Source for Property Tax Backup: N/A

Tax Rate Impact:  
2008 AV (est)           \$103,900,000  
Levy Needed           \$25,761  
Est. Tax Rate           .0247

Meeting and Publication Dates:  
Date of publication for a public hearing           07/05/2007  
Date of public hearing           07/17/2007  
Resolution/Ordinance adopted           07/17/2007  
Notice of Determination           07/17/2007

Auditor's Certificate of No Remonstrance: 09/07/2007

Common Construction Wage: N/A

Fire Marshall Office's response: N/A

Missing Information: None

**Present for the hearing:** Pleasant Township was absent for the hearing.

**Comments:** Mr. Christian began by asking the question of whether these folks usually have insurance on the trucks. Mr. Mettler said that in their packet it is stated that there was an insurance settlement of \$62,000. They will pay \$22,000 for a total of \$85,000 out of the \$225,000 for the new truck, so they are asking to borrow \$140,000. Mr. Mettler added that the

truck was evidently totaled out and not usable. He then asked that if it were completely destroyed in February of 2007, what have they used in the meantime for a year. Mr. Christian acknowledged that was a good question, but no one was there to answer it.

Mr. Christian went on to say that the truck they are trying to replace is a 1986 rescue truck, and from the cost of it, it looks as though they are wanting a brand new truck at a cost of \$225,000.

Mr. Mettler stated that he believes they need to be rescheduled for the next hearing and Mr. Christian concurred.

Mr. Mettler added that the resolution was passed in July of 2007 to incur the indebtedness.

**Motion:** Mr. Mettler motion to defer this until the next meeting on March 27. Mr. Jones seconded and the motion carried by a vote of 4-0.